CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 9, 1998

H.R. 2610
Office of National Drug Control Policy Reauthorization Act of 1997

As reported by the Senate Committee on the Judiciary on November 6, 1997

SUMMARY

H.R. 2610 would amend the National Narcotics Leadership Act of 1988 to extend the authorization for the Office of National Drug Control Policy (ONDCP) through fiscal year 2001, create two additional deputy director positions, and expand the responsibilities and powers of the office. Much of the legislation would codify current practices of ONDCP and federal agencies in their drug control efforts.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 2610 would cost at least $165 million over the 1999-2003 period (if funding for ONDCP is maintained at the 1998 level) or at least $177 million over the five-year period (if funding is adjusted annually for inflation). These estimates represent the cost to reauthorize funding for ONDCP for fiscal years 1999 through 2001.

In addition, other provisions of the legislation could significantly affect costs of the U.S. Department of Agriculture (USDA) and the Department of Justice (DoJ); however, CBO cannot estimate the amount of such additional costs. First, H.R. 2610 would require USDA to conduct an annual assessment of the amount of land used in the United States to grow illegal drugs. Because the technology and data currently do not exist to perform such an assessment adequately, CBO expects that, at least initially, the provision would not significantly increase costs of USDA. In future years, however, the provision could increase annual costs of the Agricultural Research Service (ARS), an entity within USDA, and other federal agencies by as much as $10 million to $20 million.

H.R. 2610 also could increase costs of the National Drug Intelligence Center (NDIC) and the El Paso Intelligence Center (EPIC), both entities within DoJ, to carry out projects and tasks requested by ONDCP. Because CBO does not know whether ONDCP would use this authority or what requests it would make, we have no basis for estimating any potential costs from enacting this provision. Because of the highly technical nature of the work performed

by the centers, CBO estimates that if ONDCP were to exercise its authority, the provision could increase costs by as much as several million dollars for each request.

Enacting H.R. 2610 could affect both receipts and direct spending; therefore, pay-as-you-go procedures would apply. But CBO estimates that any net budgetary impact for pay-as-you-go purposes would be negligible.

H.R. 2610 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2610 on ONDCP is shown in the following table. H.R. 2610 could affect costs of other agencies, but CBO cannot estimate the amount of such additional costs. Over the next year, CBO expects that any additional costs—for agencies other than ONDCP—would be insignificant. Depending on how USDA would implement a provision requiring it to assess the amount of land used to grow illegal drugs, the additional costs could total at least $10 million a year by fiscal year 2002. These additional budgetary effects are discussed below. The costs detailed in the table fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
ONDCP Spending Under Current Law						
Budget Authority	55	0	0	0	0	0
Estimated Outlays	52	8	3	0	0	0
Proposed Changes						
Authorization Level	0	55	55	55	0	0
Estimated Outlays	0	46	52	55	9	3
ONDCP Spending Under H.R. 2610						
Authorization Level [a]	55	55	55	55	0	0
Estimated Outlays	52	54	55	55	9	3

a. The 1998 level is the amount appropriated to ONDCP for salaries and expenses. The amounts shown for subsequent years reflect assumed continuation of the current-year funding level, without adjustment for inflation. Alternatively, if funding were increased to cover anticipated inflation, funding under H.R. 2610 would grow from $55 million in 1998 to $61 million in 2001.

The above table does not include the potential impact of provisions of the legislation that could significantly affect costs of both USDA and DoJ because CBO cannot estimate the amount of such additional costs. These provisions, which are discussed further below, would require USDA to assess annually the amount of land in the United States used to grow illegal drugs and would require the NDIC and EPIC to complete projects and tasks requested by ONDCP. Other provisions of the bill would have no significant costs.

BASIS OF ESTIMATE

For purposes of the estimate, CBO assumes enactment of H.R. 2610 in fiscal year 1998.

Reauthorization of ONDCP

H.R. 2610 would authorize the appropriation of such sums as necessary to operate ONDCP through fiscal year 2001. (ONDCP's authorization expired at the end of fiscal year 1997.) Because the bill does not specify funding levels, CBO has estimated the costs of operating ONDCP on two different bases: (1) assuming that the Congress would appropriate the same amount to ONDCP as it did for fiscal year 1998, and (2) assuming that each year's funding as adjusted for inflation. Public Law 105-61, signed into law on October 10, 1997, appropriated $55,216,000 to the office for fiscal year 1998 (including $20.2 million to be transferred from the Violent Crime Reduction Trust Fund). If that funding level is maintained over the 1999-2001 period, appropriations would continue to be about $55 million a year. If, instead, the Congress were to adjust the amount appropriated to ONDCP for 1998 to reflect anticipated inflation, the estimated authorization level would grow from $55 million in 1998 to $61 million in 2001.

USDA Report on Drug Cultivation

The act would require USDA to assess annually the amount of land in the United States used to grow marijuana. According to USDA, the technology and data necessary for such an assessment currently do not exist. Assessing the number of acres used to grow marijuana across the U.S. would require that USDA sample different areas and terrains by employing special sensory imaging equipment attached to either a satellite or a plane or helicopter. According to both the U.S. Forest Service and ARS, such technology currently is not adequate for detecting the growing of marijuana. First, the resolution obtained from an orbiting satellite is not fine enough to detect and differentiate marijuana plants from other plants and vegetation. Second, growers can easily camouflage marijuana plants so as to prevent detection by a helicopter or plane.

According to ARS, the government is researching techniques, such as determining the source of origin from genetic signatures of marijuana and other narcotics seized by the government, that eventually could be used as the basis for a model to estimate land use for marijuana. Such an approach, however, would take at least a few years to develop and would cost at least several million dollars (possibly tens of millions of dollars) for each assessment. Because of the problems with existing technology (cited above), CBO expects that USDA would not be able to provide a thorough assessment any time in the near future. At best, USDA could provide an estimate of the number of acres of national forest land used to grow marijuana. Because we expect that USDA would use existing data for such an estimate, such as the number of plants seized and the number of plants harvested before discovery, CBO estimates that the annual costs for the more limited assessment would not be significant. We expect that USDA would perform the more limited, inexpensive type of assessment for at least the first few years after enactment of H.R. 2610. In subsequent years, subject to the availability of funds, USDA's costs could increase to $10 million to $20 million a year if the agency develops a more extensive model-based assessment.

Projects by NDIC and EPIC

H.R. 2610 would require that NDIC and EPIC complete projects and tasks at the request of ONDCP. Under current law, ONDCP is required to clear such requests through DoJ, which has management responsibility for both centers. ONDCP has never made a formal request to use either center, although it has requested and received available information from both of them. We do not know whether ONDCP would require the centers to complete projects for it, whether DoJ would have approved them in any event, or what the requests might entail. Therefore, CBO has no basis for estimating the costs of enacting this provision. Because of the highly technical nature of the work performed by the centers, CBO estimates that if ONDCP were to exercise its authority, costs of as much as several million dollars might be incurred to complete each request.

Other Provisions

Finally, H.R. 2610 would increase costs to the federal government by adding two new deputy directors for ONDCP and establishing several new reporting requirements; funding the Parents Advisory Council on Youth Drug Abuse, an entity established by the legislation; and possibly, for agencies involved in national drug control activities, requiring additional information in their annual budget request for drug control funding. CBO estimates that these costs would not be significant in any one year.

For ONDCP, the act would increase the number of deputy directors from two to four, establishing positions for National Drug Control Policy, which would replace the existing associate director position, and State and Local Affairs. The legislation would elevate the stature of these positions and require that the President appoint and the Senate confirm individuals for each post. Additionally, H.R. 2610 would increase the amount of pay for each position. The act also would add or amend several reporting requirements for ONDCP, including a requirement that it submit two reports to the Congress within 90 days of enactment. CBO estimates that these costs would total less than $75,000 in fiscal year 1998 and less than $50,000 in each of fiscal years 1999 through 2002.

The act would establish the Parents Advisory Council on Youth Drug Abuse, comprised of 16 members selected from the private sector. The members would serve without pay, but would be reimbursed for council-related travel. The council would not have the authority to hire staff. The act would require that the council advise the President and members of the Cabinet on drug control matters and submit annual recommendations to ONDCP. To finance its operations, H.R. 2610 would authorize necessary appropriations and permit the council to solicit and use gifts and donations. Based on the costs of previous commissions and councils, CBO estimates that enacting this provision would increase discretionary costs by about $50,000 a year, beginning in fiscal year 1999, when we expect the council would first meet. Because the council would have the authority to solicit information from federal agencies, agencies could incur additional costs if the council uses its discretion to request information that is currently not collected or available. Such costs are not likely to be significant.

For agencies involved in implementing the national drug control strategy, the legislation could increase costs by requiring them to provide additional information in their annual budget requests for drug control funding. Specifically, the legislation would require that ONDCP provide to the agencies a series of statistics detailing the highest level of success achieved by the government in preventing the sale of different drugs and the level of resources devoted by each agency in achieving those levels. In turn, the act would require that agencies include with their annual budget requests to ONDCP an estimate of the resources that would be required to meet or exceed those levels. Based on information provided by ONDCP, which has already worked with the federal drug control agencies to develop performance targets for drug prevention and treatment activities, CBO estimates that the costs of these requirements would be minimal.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies procedures for legislation affecting direct spending and receipts. Pay-as-you-go procedures would apply to

H.R. 2610 because it would authorize the Parents Advisory Council on Youth Drug Abuse to accept gifts and donations (which would be governmental receipts), and to spend such receipts without further appropriation. We expect, however, that receipts from any gifts or donations would be offset by the spending of those funds, and thus, the provision would have no net budgetary impact for pay-as-you-go purposes.

The act also would make permanent ONDCP's current authority to receive gifts from private sources. Beginning with its appropriations for fiscal year 1990, ONDCP has annually received the authority to accept donations of real and personal property. In addition, it has the permanent authority to receive property from federal, state, and local government agencies. According to ONDCP, it has not received any gifts in recent years and does not expect to receive any under this authority. In total, it has received less than $500,000 in gifts since its creation under the Anti-Drug Abuse Act of 1988. Thus, CBO estimates that enacting the provision would have no significant impact on governmental receipts. (Under H.R. 2610, if ONDCP were to receive a donation, it could not use such funds without further appropriation action. Thus, the provision would not affect direct spending.)

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2610 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On November 10, 1997, CBO prepared a cost estimate for H.R. 2610, the National Narcotics Leadership Act Amendments of 1997, as passed by the House of Representatives on October 21, 1997. CBO estimated that, subject to the availability of appropriated funds, the House-passed version would cost at least $235 million over the 1998-2002 period. Three factors explain the difference between the two estimates.

First, the House-passed version would reauthorize ONDCP only through fiscal year 1999; the legislation reported by the Senate Committee on the Judiciary would reauthorize it through 2001.

Second, the earlier estimate assumed that the Congress would appropriate $35 million for fiscal year 1999—the same amount provided directly to ONDCP for fiscal year 1998. This estimate, however, assumes that the Congress would provide at least $55 million for each of fiscal years 1999 through 2001. The higher amount includes an additional $20 million in funds to be transferred to ONDCP from the Violent Crime Reduction Trust Fund.

Finally, the House-passed version would require that each of the more than 50 agencies and bureaus covered by the National Drug Control Strategy annually provide ONDCP with a detailed accounting of all funds spent on drug control activities. CBO estimates that implementing that provision would cost the federal government at least $50 million a year.

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